GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

STARRED QUESTION NO:457
ANSWERED ON:20.12.2002
SEBI ACTION AGAINST INTERMEDIARIES
RAMESH CHAND TOMAR

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the SEBI has decided to take action againstintermediaries who have violated the code of ethics announced by the regulator;

(b) if so, the details of the intermediaries who have been found violating the code of ethics in the last three years; and

(c) the action taken by the Government against such intermediaries?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a) to (c): A statement is placed on the Table of the House.
Statement referred to in the reply to Lok Sabha starredquestion no. 457 by Dr. Ramesh Chand Tomar for 20th December 2002 regarding `SEBI Action Against Intermediaries`.

(a): The Securities and Exchange Board of India (SEBI)has intimated that all the regulations pertaining to intermediaries have a separate section on Code of Conduct, which contains clauses regarding professional conduct, due diligence, honesty, avoidance of unethical soliciting of business etc. In case of violation by intermediaries of any of the provisions of the code of conduct, action is taken against the intermediary in terms of provisions of the relevant regulations which include warning, suspension or cancellation of registration. SEBI has formulated a code of ethics for directorsand functionaries of stock exchanges vide its circular dated May 18, 2001, which the exchanges were required to implement the same by August 2001.

(b) & (c): The details of action taken against the intermediaries for non compliance with the regulations including non compliance with code of conduct for specific intermediaries, is annexed. As the code of ethics was to be implemented by exchanges from August 2001, breach of the code of ethics for earlier periods does not arise.

Annex referred to in the reply to Lok Sabha starred question no. 457 by Dr. Ramesh Chand Tomar for 20th December 2002 regarding `SEBI Action Against Intermediaries`.

Annexure

Period	Sl No	Action against	Nature of intermediary	Action taken
2001-2002				
	1	Giltedge Investment Banking Services Ltd.	Merchant Banker	Suspended
	2	Giltedge Portfolio Management Services Limited	Portfolio Manager	Suspended
	3	IL & FS	Merchant Banker	Warning
	4	J M Morgan Stanley	Merchant Banker	Warning
	5	Triumph Leasing & finance Ltd.	Merchant Banker	Warning
	6	SRG Infotech Share Transfer Agent	Registrars to Issue &	Cancellation
	7	Tamilnad Mercantile Bank	Banker to Issue	Suspension of registration
	8	State Bank of Indore	Merchant Banker	Warning
	9	Vysya Bank, H. B. Sarani Branch, Calcutta	Banker to Issue	Warning

10 Punjab National Bank Banker to Issue Warning
11 Central Bank of India Merchant Banker Warning
12 Canara Bank, Bhadra branch Banker to an Issue Suspension
13 Karvy Consultants Ltd Registrar & Share Transfer Agents Warning
14 ICICI Bank (formerly Bank of Madura), Bhadra Branch Banker to an Issue Warning
15 Ashika credit capital limited Merchant Banker Warning
16 Aryaman Financial Services limited Merchant Banker Warning
17 Systematix Corporate Services Limited Merchant Banker Warning

2000-2001

18 Sindhu Corporate Services Registrars to Issue & Share Transfer Agent Warning
19 Maheswari Datamatics Private Limited Warning
20 Cameo Share Registry Registrars to Issue & Share Transfer Agent Warning
21 Premium Capital Market & Investment Ltd. Merchant Banker Suspension
22 Indian Overseas Bank Merchant Banker Warning
23 XL Softech Systems Ltd. (formerly X L Softech Consultancy) P. Ltd.) Registrar to issue Warning
24 Ikon Visions Pvt. Ltd. Registrar to issue Suspension
25 Tamilnad Mercantile Bank, Mandvi Branch Bankers to Issue Warning
26 Bank of India, Cumballa Hill Branch Bankers to Issue Warning
27 United Western Bank, Prabhadevi Branch Bankers to Issue Warning
28 R&D Consultants P Ltd. Registrar & Share Transfer Agents Suspension
29 PCS Industries Ltd. Registrar & Share Transfer Agents Suspension
30 Oriental Bank of Commerce Bankers to an Issue Warning
31 Ankit Consultancy Ltd. Registrar to issue Suspension
32 Dena Bank Bankers to Issue Warning
33 Vysya Bank Ltd. Bankers to Issue Warning
34 Akshar Share Services Pvt. Ltd. Registrars to Issue & Share Transfer Agent Suspended

1999-2000

35 ABS Consultant Pvt. Ltd. Registrars to Issue & Share Transfer Agent Warning Letter
36 AMI Computers Ltd.
37 Canara Bank (Bhadra Branch) Bankers to Issue Suspension
38 Canara Bank (Thousand Lights Branch) Bankers to Issue Suspension
39 Computech International Limited Warning Letter
40 Hi Tech Share Tegistry Pvt.Ltd. Registrars to Issue & Share Transfer Agent Warning Letter
41 Integrated Enterprises India Ltd. Registrars to Issue & Share Transfer Agent Warning Letter
42 M N Dastur & Co. Ltd. Registrar to issue Warning
43 M/s. Choksh Securities Ltd. (presently Choksh Infotech Ltd.) Registrar to issue Suspension
44 Punjab National Bank Debenture Trustee Warning Letter
45 Punjab National Bank (new cloth market branch) Bankers to Issue Suspension
46 Punjab National Bank (Raopur Branch) Bankers to Issue Suspension
47 S B & T International Ltd. (presently known as Nigam Finvest Ltd.) Merchant Banker Warning
48 SMIFS Capital Markets Ltd. Merchant Banker Warning
49 State Bank of Hyderabad Bankers to Issue Warning
50 State Bank of Saurashtra, Shahibaugh branch Bankers to Issue Suspension

51 Wisec Global Ltd. Registrars to Issue & Share Transfer Agent Warning Letter